



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(Docket T-6-2011)

Foreign-Trade Zone 7 – Mayaguez, Puerto Rico
Application for Temporary/Interim Manufacturing Authority
Baxter Healthcare of Puerto Rico
(Pharmaceutical and Nutritional Intravenous Bags and Administration Sets)
Aibonito and Jayuya, Puerto Rico

An application has been submitted to the Executive Secretary of the Foreign-Trade Zones Board (the Board) by the Puerto Rico Industrial Development Company, grantee of FTZ 7, requesting temporary/interim manufacturing (T/IM) authority at two sites within FTZ 7 at the Baxter Healthcare of Puerto Rico (Baxter) facilities, located in Aibonito and Jayuya, Puerto Rico. The application was filed on December 6, 2011.

The Baxter facilities (200 million unit capacity) are used for the manufacture of pharmaceutical and nutritional intravenous (I.V.) bags and related components. Under T/IM procedures, Baxter has requested authority to produce filled pharmaceutical and nutritional I.V. bags (HTSUS 3004.20, 3004.40, 3004.50, 3004.90 – duty rate: free) and I.V. administration sets and their components (HTSUS 9018.90 – duty rate: free). Foreign materials that would be used in production (representing 9% of the value of the finished product) include: foil pouches (HTSUS 3923.29), ABS resin (HTSUS 3903.30), L-tryptophan (HTSUS 2933.99), glutamic acid (HTSUS 2922.42), N-Acetyl-L-Tyrosine (HTSUS 2924.29) and L-Lysine-Acetate (HTSUS 2922.41) (duty rates range: 3 – 6.5%). T/IM authority could be granted for a period of up to two years.

FTZ procedures could exempt Baxter from customs duty payments on the foreign components used in export production. The company anticipates that some 22 percent

of the facilities' shipments of I.V. administration sets and components will be exported. On its domestic sales, Baxter would be able to choose the duty rate during customs entry procedures that applies to filled I.V. products and administration sets (duty rate: free) for the foreign inputs noted above. Baxter could also be exempt from duty payments on foreign materials that become scrap or waste during the production process.

In accordance with the Board's regulations, Diane Finver of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations pursuant to Board Orders 1347 and 1480.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the following address: Office of the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, Room 2111, 1401 Constitution Ave. NW, Washington, DC 20230. The closing period for their receipt is ***[insert date 30 days from date of publication]***.

Baxter has also submitted a request to the FTZ Board for FTZ manufacturing authority beyond a two-year period. It should be noted that the request for extended authority is being docketed separately and will be processed as a distinct proceeding. Any party wishing to submit comments for consideration regarding the request for extended authority would need to submit such comments pursuant to the separate notice that will be published for that request.

A copy of the application will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at the address listed above, and in

the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz. For further information, contact Diane Finver at Diane.Finver@trade.gov (202) 482-1367.

Dated: December 6, 2011

Andrew McGilvray
Executive Secretary

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